

year, Japan imported 1 U.S. car for every 25 it exported; 60 percent of our \$66 billion deficit with Japan results from imbalances in cars and autoparts.

American autoparts manufacturers are not asking for special privileges, just a fair opportunity to compete in Japan. We have waited too long. The Japanese must honor the practices of free trade and agree to fairly import U.S. auto parts.

When I meet with automakers and autoworkers in the Second Congressional District of Indiana they tell me, "We make the best auto products in the world, just give us a fair chance to compete." An agreement that allows real access to the Japanese market for autos and auto parts is a matter of fairness for U.S. automotive firms and workers.

#### WHY AMERICANS ARE ANGRY

The SPEAKER pro tempore (Mr. REGULA). Under the Speaker's announced policy of January 4, 1995, the gentleman from Vermont [Mr. SANDERS] is recognized for 60 minutes as the designee of the minority leader.

Mr. SANDERS. Mr. Speaker, it is no great secret that throughout the United States of America today there is a great deal of anger, there is a great deal of unrest. Fortunately not every angry person goes about blowing up buildings and killing hundreds of innocent people, but all over this country, people are feeling an unease. Something bad is happening and they do not quite understand what it is about.

What I would like to do this hour, Mr. Speaker, with the help of some of my colleagues, is to perhaps try to explain to the working people of America, to the middle-income people of America, perhaps some of the reasons why people are angry, why people are frustrated, and then maybe make some suggestions as to how we can develop public policy which will improve life for all of our people.

Mr. Speaker, let me begin by quoting from an I think very important article that appeared on the front page of the New York Times on Monday, April 16, just a couple of weeks ago. And what it says is that the United States of America today has by far the most unequal distribution of wealth in the entire industrialized world. And the article says that:

Recent studies show that rather than being an egalitarian society, the United States has become the most economically stratified of industrialized nations. Even class societies like Britain, which inherited large differences in income and wealth over centuries, going back to their feudal past, now have greater economic equality than in the United States.

Then the article goes on to say:

Federal Reserve figures from 1989, the most recent available, show that the wealthiest 1 percent of American households, with net worth of at least \$2.3 million each, own nearly 40 percent of the Nation's wealth.

That in contrast to Britain where the richest 1 percent only own 18 percent of

the wealth. So in other words, we are now living in a country from which the richest 1 percent own 40 percent of the wealth, which is more wealth than the bottom 90 percent. Rich are getting richer, poor are getting poorer, the middle class is shrinking, and I think that explains or begins to explain why it is that American people and especially working people, the middle-income people are feeling very, very anxious. Because the bottom line is, and we do not talk about that too much here, Democrats do not talk about it, Republicans do not talk about it, Rush Limbaugh somehow forgets to talk about it, but the reality is that since 1973, four-fifths, 80 percent of the American workers have experienced falling or stagnant real incomes.

Now what does that mean? That means in the last 22 years the American people are working very, very hard, in many instances they are working longer hours, in fact a study came out recently, if you can believe this, that in order to compensate for the falling wages American workers are now receiving, workers are now working an extra 1 month a year. In my own State of Vermont it is certainly not uncommon for workers to be working not one job, not two jobs, but on occasion three jobs.

Since 1973, for production workers, there has been a 20-percent decline in real wages. There has been an increase in poverty. For low-wage workers, workers who just have a high school degree, who do not have any college, the drop in entry-level jobs has been precipitous. For young male workers there has been a 30-percent decline in entry-level wages for young men graduating high school going into the work force; for young women the drop has been 18 percent.

There was an interesting article which I think typifies much of what is happening in this country, that appeared in the Wall Street Journal some months ago and they said the good news is that in the Midwest, many of the factories that has been closed in the 1980's are now reopening, workers are now going back to work in the factories. That is the good news. The bad news is that those workers, same workers are going back to the same factories at wages which are paying them 50 percent to 60 percent to 70 percent of what they made 10 or 12 years before.

Mr. DEFAZIO. Mr. Speaker, will the gentleman yield?

Mr. SANDERS. I am delighted to yield to my good friend from Oregon, one of the outstanding Congressmen in this institution.

Mr. DEFAZIO. I thank the gentleman. I think what you brought up in your introductory remarks here brings you to three major issues, and I would like to frame the debate that way as we continue the discussion.

You pointed out the decline of incomes and the standard of living for middle-income families and the disproportionate accrual of wealth to the top 1 percent, generally those earning

over \$250,000 a year. And what I think people would be interested in is what is the majority, the Republican majority's response to that growing disparity of income. Do they have a plan to deal with it. And of course the plan is their tax bill. And the tables on the tax bill are pretty interesting.

If we look at the tax bill which passed the House of Representatives by a fairly narrow margin, but with virtual unanimity on the Republican side of the aisle, 71.4 percent of the benefits of the capital gains tax break are going to go to people who earn over \$200,000 a year. And if you go to the corporate tables, you find similar distributions. That is the largest corporations in America, and the multinational corporations will do well. Small businesses will get scant or no tax relief, and even smaller incorporated firms. In fact, we are repealing the corporate alternative minimum tax, something that was put in place in 1986 with agreement between President Reagan and a Democratic Congress that it was embarrassing that the largest, most profitable corporations in America, AT&T, \$24.898 billion in profits 1982 to 1985, paid negative \$635 million in taxes. So we had to put in place a corporate alternative minimum tax. But now we are being told the solution to the growing disparity and the unemployment in America is to go back to those tax policies of the 1980's.

Mr. SANDERS. If the gentleman will yield, what we are trying to explore is in fact why Americans are angry, and what I get upset about is people are angry, they should be angry, but to a large degree they do not know what they are angry about.

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What the gentleman from Oregon has just said is that in the early 1980's some of the largest corporations in America, and in America most of the stock is owned by the wealthiest people, what he said is that in the early 1980's, major corporations earning billions in profit paid zero in Federal taxes, less than the working stiff who makes \$20,000 a year, and because the Congress, which had passed that legislation, was a little bit embarrassed going back to their districts, they passed a minimum corporate tax law which said to these corporations that, "After all your lawyers and all of your fancy accountants get through going through the tax loopholes, you still are going to have to pay at least something in taxes."

And what the gentleman has just described is that several weeks ago right here on the floor of the House the Republican leadership voted to repeal that minimum corporate tax, so we are going to go back to those good old days when major corporations paid zero in taxes.

Mr. DEFAZIO. I would like to introduce another element. What I think angered people, when I went around to

my 13 town hall meetings during the break, was when I pointed out, when they heard the idea of tax reform and tax relief, a lot of middle-income families had a little bit of hope. When I pointed out where the benefits are going to go, to the largest, most profitable corporations, we were in fact opening new loopholes for them, we were not going to close loopholes on multinational corporations which could bring in \$60 billion a year to U.S. taxpayers, that we were going to provide the most benefits, 75 percent of the benefits in the individual tax breaks for capital gains to people who earn over \$200,000 a year, there was not anybody who earned over \$200,000 a year in my audiences in any of my town halls.

They were a little bit distraught, but what we did not know then and what we know now is that not only is this an outrageous return to trickle-down economics, which nearly bankrupted the country and began to bankrupt the country in the 1980's, did not provide more jobs, provided a flurry of leveraged buyouts which actually were job-destroying, but now the Republicans are planning to pay for these tax breaks by cutting Medicare. Now, is that not extraordinary?

They are trying to back pedal as quickly as they can. But the numbers just happen to add up.

When you look at their proposed reductions in Medicare in their budget, which they will unveil today at their special retreat at IBM's or Xerox's posh retreat center, and I wonder what kind of benefit that is being provided to the Republican Party and how that relates to the tax loophole, but in any case, when they go out to this corporate retreat center today and unveil their budget there, they are going to show they are going to pay for their tax break by reducing Medicare for average Americans and retired Americans.

It is an absolutely outrageous attempt to pilfer the pockets of those least able to pay, senior citizens and people in the lower economic bracket, to give tax breaks to people at the top.

But the sham is, well, we will all benefit because they will invest this money wisely. We already went through that once before. We found that trickle-down did not benefit the majority of the American people, but created the extraordinary disparities the gentleman is talking about.

We also, I think, are going to have to, a little bit later, get into trade here, because trade plays into this is a very large part.

Mr. SANDERS. I am delighted that we are being joined by one of the outstanding Congressmen, fighters for working people; I yield to the gentleman from New York [Mr. OWENS].

Mr. OWENS. I thank the gentleman for yielding.

I would like to congratulate him on the special order and the focus you started with, emphasizing what we

have been trying to emphasize all year long, is that the American people are angry. Large numbers of people are angry. Large numbers of voters are angry. Certainly, working-class people are angry, certainly for good reason.

We have to focus on what it is they should be angry about. They focus their anger sometimes in the wrong direction, not understanding the forces at work which make their lives miserable or make them see themselves as sinking in quicksand in terms of their lives are getting no better as they go on working harder, but their wages are less, their wages have not kept pace with inflation, benefits like health care which all the other industrialized nations enjoy and help to stretch your wages because you do not have to pay large amounts of money for health care, are denied to the American workers. They get less fringe benefits, vacation time, family leave.

As you pointed out, countries that we went to war with, and we are glad the war is over and it is all peaceful, but Germany now has a higher standard of living than any nation in the world. I am not criticizing them for creating a higher standard of living for their workers. But workers here have to understand, workers in the industrialized world of 1995, it is possible to have decent salaries and also have 6 weeks' vacation, also have family and medical leave where you get paid, where you take time off. It is possible in an industrialized society to have this and still come out ahead of this Nation in terms of balance of payments.

Because we are in relationship with Germany, we owe them more money than they owe us. The balance of payments is negative on our side, just as in the case of Japan, you also have a standard of living and much more security.

This fact, or that, has just been highlighted by a study, and thanks to the New York Times, certainly emphasized in the mass media of the gap between the rich and the poor in this country which you mentioned before, just has to be looked at more closely.

I have the editorial from the New York Times on the same day that the major article appeared on April 17, 1995. That editorial, you know, says quite a bit. We cannot say it anymore clear than stated here. "The Rich Get Richer Faster," is the title of the editorial, and I want to read a few excerpts from the editorial:

The gap between rich and poor is vast in the United States, and recent studies show it growing faster than anywhere else in the West. The trend is largely the result of technological forces at work around the world, but the United States Government has done little to ameliorate the problem. Indeed, if the Republicans get their way on the budget, the Government will make a troubling trend measurably worse.

Now, this is the New York Times editorial page talking, not partisan Democrats.

Some inequality is necessary if society wants to reward investors for taking risks

and individuals for working hard and well, but excessive inequality can break the spirit of those trapped in society's cellar and exacerbate social tensions. Extensive inequality can break the spirit of those trapped in society's cellar and can exacerbate social tensions.

I am not going to excuse anybody for the Oklahoma bombing, and I am not going to say that any set of conditions in society justified that kind of murderous act, but I am going to say that when you have a mixture in this country of the culture of the gun where we permit, and another way in which we are different from all other western nations is, the other industrialized nations, is we permit the proliferation of the guns in this society. We encourage a culture of the gun, which leads to a fascination with other, more complicated weapons. When you have an atmosphere like that and you also have the exacerbated tensions, the likelihood that individuals or small groups will go off half-cocked and do outrageous things is greatly increased.

I thank the gentleman for yielding.

Mr. SANDERS. Let me just go back to another point. We are trying to understand why in America tens of millions of middle-income and working people are living under such stress, and we are trying to understand how it is that every day on the talk shows and here in Congress we hear people attacking minorities, attacking poor people, men attacking women as the cause of the problem, people attacking gay people, attacking immigrants, and yet it is amazing to me how little discussion there is on the issue that the gentleman from New York and the gentleman from Oregon and I are talking about, and that is the fact that the wealthiest 1 percent are seeing enormous increases in their holdings in America, that the wealthiest earners, 20 percent earners, now earn more earned income than do the bottom 80 percent, that major corporation after major corporation are throwing American workers out on the street, going to Mexico where they are hiring people at 75 cents an hour, going to China where they are hiring desperate people there for 20 cents an hour. How come we are not allowed to focus our anger on those people, just on the poor, but not on the rich?

I did not read in the Constitution, I did not read in the schoolbooks that we are not allowed to talk about the wealthy and the power that they have over the lives of Americans. But somehow or another there seems to be a fear in this institution, and certainly on talk radio, that, gee whiz, we are not allowed to talk about the wealthy and the power that they have.

How come there is not discussion that the chief executive officers in America today of the Forbes 500 corporations are now earning 150 times what their workers are making? Is that justice? Is that fair? Is that what the American system is supposed to be about? Why are we not discussing and

moving rapidly in raising the minimum wage? How is a worker supposed to bring up a family on \$4.25 an hour minimum wage or even \$5 an hour?

Mr. DEFAZIO. If the gentleman will yield on that one, that is excellent.

The issue again, the response of the Republican majority in this Chamber is that they will not even allow hearings or legislative consideration; far be it from a Democratic vote on this floor, on the issue of an increase in the minimum wage. They are so afraid of that issue; they know that a large majority of the American people do not believe it is fair that a person who works hard, 40 hours a week faithfully, 50 weeks a year or 52 weeks a year, is below the poverty level. And if that person has children, it is far below the poverty level in this country and not able to have any kind of a decent standard of living.

Why cannot we have that discussion? It seems like everything is slanted the other way.

The tax policy, again, we have just passed huge tax breaks which will accrue to a very small percentage of the people, and they are going to be paid for by cutting Medicare and cutting welfare and other programs.

They will not allow us to have a debate and a vote on the issue of increasing the minimum wage and trade policy. They want to pin the failures of the trade policy on the Clinton administration, who certainly pushed through the NAFTA Agreement and the GATT Agreement, but they pushed them through with a majority of Republican votes and a minority of votes on the Democratic side of the aisle, because many of us knew they were wrong.

And one other point, lest people think that somehow through NAFTA and through shipping our jobs to Mexico, we have somehow at least improved the lot of the Mexican people, the standard of living has dropped 50 percent for average workers in Mexico in the last 6 months. They are threatened with 50 percent inflation, and their wage increases by law will be limited to 10 percent this year.

Interest rates are 80 to 90 percent in Mexico for people who can get credit cards. That is not very many. Bank failures, business failures are up. On May Day they had the largest demonstration in the history of the country.

We have pushed Mexico to the brink with exploitative trade policies, and we are losing American jobs.

Where is this all headed? When will we wake up? When will we come up with a trade policy that is set up to increase the standard of living in this country and in the countries of our trading partners? When will we have a tax policy that is set up for fairness, that helps to bring the disparities down? And when will we increase the minimum wage?

With this majority, never.

Mr. SANDERS. The gentleman is suggesting a very radical idea. He is suggesting the trade policy in America, and I think this year we have had \$160 billion trade deficit.

Mr. DEFAZIO. \$163 billion?

Mr. SANDERS. Thank you. We do not hear much about that figure. He is suggesting a terribly radical idea hardly heard on the floor of the House, and that is that maybe trade policy should work for the benefit of the average American worker rather than the head of the large corporations who are trying to take our jobs to Mexico and China.

We are delighted now to welcome a Congressman from upstate New York, the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. I have enjoyed the discussion, and thank you very much, particularly the last part.

I think it is very important for us to recognize that although most of the attention has been focused on the budget deficit, and that is a serious problem, it is one we have to deal with, but there are at least two other major deficits we have to address.

And those two other deficits are more directly linked to the economic prosperity of the American people, particularly the average wageearner, the average worker, the average family, and those other two deficits are the ones being discussed about a moment ago by our colleague, the gentleman from Oregon [Mr. DEFAZIO], the trade deficit principally because that trade deficit is responsible for loss of a substantial number of manufacturing jobs. We have lost 1.4 million manufacturing jobs in this country over the course of the last decade and much of that can be attributed to our lack of a trade policy that focuses on the needs of the people in this country rather than other interests that may be within this country or abroad.

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And the other deficit is the investment deficit. We are failing to invest in our own future, and the infrastructure of this country, and simple things like roads and bridges. Half of the bridges in the United States are now below standard. Our surface transportation systems are in bad need of repair, in many cases falling apart. We have not had a major investment since the 1950's with the Interstate Highway System. Major deficits in mass transit, major deficit in educational investment, major deficit in training, major deficit in research and development, for the creation of new jobs and new industries, and connected with these two is the exportation of important American technologies, technology that is developed in this country which could be producing the jobs of the future, and we are exporting those technologies. We have exported the jobs, and now we are exporting technologies to other countries.

Mr. SANDERS. I know that when we talk about the issue of jobs and the declining standard of living for the average American worker, what we are extremely mindful of is that for the young workers, especially for those who do not have a college education, their future indeed is very bleak. And one of the points that has to be made when we try to understand anger in America is that for tens of millions of Americans the American dream is fading fast, the dream that, if I work very hard, my kids are going to have a higher standard of living than I do.

Now I know that the gentleman from New York [Mr. OWENS] has worked hard on a jobs bill which attempts to address some of the issue that the gentleman from New York [Mr. HINCHEY] was talking about. Mr. OWENS, what about a jobs bill?

Mr. OWENS. Well, we introduced a jobs bill as a progressive caucus jobs bill as a result of our understanding clearly what the message was on the November 8 election. At the exit polls they clearly pointed out that the No. 1 priority was jobs security. Those who were working are worried about the fact they are making less than they were making before, they cannot keep up with inflation. Many who were working were worried about losing the jobs they have already because of economic downsizing and streamlining, and of course many others are unemployed and work because they have no hope of getting a job. We keep sending manufacturing jobs overseas, chasing the cheapest labor in Bangladesh, out of prisons of China of whatever.

So why not address this as Democrats, even if the Republicans refuse to? They had in the Contract With America something about the Job Creation, Wage Enhancement Act which had not a single thing in it about job creation. It was all about removing regulations, and it was a back door way to make an assault on the kinds of regulations of the environment that are very necessary to protect the health and welfare of Americans.

Our jobs bill talks about creating jobs. In fact, one of the major functions of a modern government has to be the creation of jobs. The economy, stupid, has to be translated into jobs, stupid. You can have a bustling economy. We have a very prosperous economy. The stock market is doing very well. But jobs are not being created.

You know, in addition to economics, we need a new science called "jobenomics." How do you create jobs? We propose an old-fashioned way to create jobs. First of all you recognize the fact that there is plenty of work to be done, it just needs to have some way to pay people to do necessary work. We need public infrastructure to be sort of rehabilitated. Physical infrastructure in terms of bridges, and roads, and schools across the country which need to be repaired or rebuilt, all those things need to be done, and we should

channel the public dollars in that direction instead of wasting our public dollars on obsolete weapons systems and other kinds of things. We should be moving it toward job creation in every way possible.

Mr. SANDERS. In other words what the gentleman is saying is what everybody knows to be true in virtually every city, every town in America. There is an enormous amount of work that needs to be done. We need new environmentally sound sewer systems. We need better landfills. We need to clean up the pollution that exists all around us. We need to rebuild our mass transportation system. What an absurdity that when in terms of mass rail, our railroads, we are already behind Europe and Japan. Amtrak has laid off 5,000 workers rather than adding more workers to give us the best rail system in the entire world.

So, as Progressives, let us summarize some of what we are talking about. For a start, No. 1, the American people are angry and have a right to be angry, but for many reasons that anger has been deflected all over the place. Working people are becoming poorer in America. The gap between the rich and the poor is becoming wider. Twenty years ago the United States led the world in the wages and benefits we provide in our workers. Today we are in 10th place, behind many of the European countries. The hours that those workers in Germany, in France work are going down. They have more leisure time. In America the hours that our people are working are going up an extra month a year.

I say, "Why shouldn't we be angry? You can't be with your family, you can't be with your kids. You're working an extra month a year in order to make up for the decline in your wages. You're working overtime. You're working two jobs."

So we believe it is appropriate to raise the minimum wage. Workers should not be working 40 hours a week and falling further and further into poverty. Forty percent of the people in poverty are working full time. So we are concerned about that.

The gentleman from Oregon [Mr. DEFAZIO] has talked about trade policy. We talk about the Federal deficit. It is important. What about our trade policy? And Mr. DEFAZIO a number of months ago introduced, I think an extremely important piece of legislation. He introduced legislation to repeal the United States connection with NAFTA, to withdraw from NAFTA. I ask, "Mr. DEFAZIO, why did you introduce that legislation?"

Mr. DEFAZIO. I thank the gentleman for yielding.

Well, this was, of course, before the massive collapse and massive bailout by the U.S. Government adding insult to industry. Not only had our predictions come true; that is, that we began to enter into trade deficits with Mexico, therefore exporting U.S. jobs and capital to that country, that the

Mexican peso has been devalued, that in fact the government had stolen another election and was continuing to oppress its own people, but we added insult to injury shortly after I introduced the bill, and we are now paying \$20 billion for that privilege.

Why? Because a few United States corporations want to go down there to take advantage of that cheap labor, a fact, you know the average Mexican wage has dropped 50 percent in the last 6 months. This looks great to a number of large multinational corporations, foreign corporations flooding into Mexico to use it as an export platform, but with the \$863 million dollars trade deficit that we ran with Mexico in one month in February, that means that we exported, according to our own Commerce Department, 20,000 jobs in 1 month, 20,000 United States manufacturing wage jobs exported to Mexico in 1 month, and now we are paying \$20 billion of taxpayers' money to bail out their government in order to keep this sinking agreement afloat. It is a failure, and I would like the authors of that to admit that it is a failure, the Republican majority in this House, and the Democratic administration downtown, and the people on Wall Street who shoved it through. Admit, just admit, it is a failure, or admit that it is working the way you want it, which I think is the real truth, which is it is helping a few corporations, but it is hurting American workers, it is hurting Mexican workers, it is lowering standards of living on both sides of the border. That, perhaps, was the real intent. Then I would at least say they are honest, they got what they wanted.

One other quick point on trade. I cannot let what is going on with Japan go by. Here we are locked once again in negotiations with Japan to get them to allow our auto parts, which now a comparable quality American auto part costs about half of a Japanese replacement part. We are trying to break into their market, and the Japanese are saying, as usual, no, and in fact they are telling us that, if we use our sovereignty, if we, in fact, retaliate against them because they are unfairly keeping out comparable quality parts at half the price from their market, that they will go to the World Trade Organization and get sanctions against us, and guess what? All the analysts say they will win because that is the way GATT and the World Trade Organizations were set up. There is nothing in there to go at the unfair trade practices of Japan or other countries that hide them in secret, but only countries like the United States, which have public laws, will be penalized.

So, you know, we are going in the wrong direction, and we are driving down standards of living in this country to benefit a few corporations and our unfair trading partners abroad.

Mr. SANDERS. I find it interesting, the contract of America, the Republican proposal, talks about a whole lot of things, but it is amazing how it

manages to miss the most important policy issues that affect the needs of working people. I say, "I know, Mr. HINCHEY, you have been working hard here fighting for the right of working people. What are some of the initiatives you would like to see taking place?"

Mr. HINCHEY. I would like to follow up with what the gentleman from Oregon [Mr. DEFAZIO] said about our trade policies and just observe that we are following a trade policy which essentially is described as free trade, open markets, the global marketplace, et cetera, et cetera, on and on, but when you look closely at what is happening, you find that while we, this country, is practicing those principles to a large extent, we are not finding reciprocal practices in many other countries. The gentleman from Oregon [Mr. DEFAZIO] points very correctly to the situation with Japan where they are very clever in the way that they hide their techniques of freezing out American goods and American products while we import as much as they can manufacture into this country, and we have been doing it for decades at the cost of American jobs and at the cost of the American standard of living.

What we want to do, what we are all about here, four of us and many other people who share our particular opinions, is simply this. We want attention paid to the American economy. We want jobs created here in the United States, but not low wage jobs. We want jobs created here in the United States that are going to be paying good living wages, and that is why we are for an increase in the minimum wage, and we ought to make it clear that by enacting a minimum wage—and by the way, if the minimum wage, which is now at \$4.25 an hour had kept pace with its historical level, it would at this moment be more than \$6 an hour, so we are far behind where we ought to be. Not only does the minimum wage, and this is, I think, a very important point, affect those people who are working at the minimum wage, but when you push up the minimum wage, you push up the next lowest, and then the second lowest, and the third and the fourth, et cetera. It has a ripple effect throughout the entire economy, increasing wages and increasing incomes for all Americans.

The Speaker of this House said just recently that the price of labor in the world is set in south China. If we ever buy into that idea, if this House, if this country, ever buys into the idea that the price of labor in the United States of America is set in south China, then we are on the road to destruction. The price of labor in the United States is no more set in south China than the principles and policies of this democratic republic are set in south China or everything else that we believe in is set in south China. It is high time that we divorced ourselves from these crazy notions that the American labor force has

to compete with the least common denominator in slave labor countries around the world and get back to the idea that we can pay our people a good decent living wage so they could provide for their families, send their kids to school and improve their standard of living.

Mr. SANDERS. The gentleman makes an extremely important point. When you hear somebody get up, and give a speech, and say that we have got to be competitive in the global economy, hang on to your wallets and start worrying very much because what the gentleman from New York [Mr. HINCHEY] is saying is that in south China the wages are approximately 20 cents an hour. Well, American workers, are you ready to compete? Do you think maybe we can get down to 18 cents an hour? We can get those jobs back. What about 15 cents an hour? To a large degree much of the discussion of the global economy is just that.

□ 1315

It is asking American workers to lower their wages, give up their benefits, sacrifice our environmental standards in order to compete with desperate Third World countries where people are working for starvation wages. I think, as Mr. HINCHEY indicates, that should not be the paradigm under which we operate. Rather, we should be asking the question, why, in this great country, do we not develop policies which create decent paying jobs for all of our workers, a national health care system guaranteeing health care to all of our people, a fair tax system which takes the burden of taxes off the middle class and asks the wealthy to start paying their fair share of taxes, educational opportunity for all. Is that Utopia? I do not think so.

I want to ask Mr. OWENS a question: Recently, all over America, in my district, you have middle class people, husbands and wives, working 40, 50, 60 hours a week to afford to send their kids to college, because they understand that without a college education the kids are not going to make it to the middle class. That is simply the truth. Without a college education you cannot make it to the middle class.

Mr. OWENS, the Republicans recently have brought forth a proposal which would cut back on college loans, college financial grants. What impact does that have on the aspirations and dreams of the people in your district?

Mr. OWENS. What the Republicans are trying to do in their attempt to fulfill their contract against America, we call it against America, they say with America, in an attempt to do the undoable and bring the budget down to a level of balance by the year 2002, they are going to try to take \$12 billion out of the student loan program.

Already we have year after year reduced the number of grants available. The poorest young people going to college, we used to provide more grants. But we have steadily reduced the number of grants, so it is very hard to qual-

ify for a grant. You have to be very poor, because the amount of Pell grants available, the amount of money available for Pell grants is very low. We have deliberately emphasized student loan programs. Because after all, you have time to pay for it after you get out of college and get a decent job. Most of our aid now is in the form of student loans.

Now the Republicans are saying the student loan program should not be subsidized at all. What we do now is while a young person is in college, the interest on the loan is paid for by the Government. That is our contribution as taxpayers towards the student loan program. The students get out, pick up the loan, and they start paying the interest and principal until it is paid off. But the interest during the time they are in college is paid for by the Government, and if you take that away, that raises the amount the students owe. They are expecting to save \$12 billion out of the hides of the students when we want to encourage more people to go to college. That is the one answer to our economy, to become more and more sophisticated and educated.

Mr. SANDERS. If we could perhaps wrap it up, I think, in conclusion, the point that we are trying to make, we as three or four members of the Progressive caucus, and there are 36 other members, is that we think to a large degree the Congress of the United States is out of touch with the needs of working people, middle income people, and is here to a large degree to represent the interests of the wealthy and the powerful. We think that much of what is in the Contract With America benefits the people who go to the \$1,000 a plate fund-raising dinners. We think there are sensible public policies we can develop—we brought forth some of them this afternoon—that in fact we can raise the standard of living for American people, give people hope for the future, where today there is no hope.

I want to thank both the gentleman from New York, Mr. OWENS and Mr. HINCHEY, for joining me. We will do this again.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

#### BARBARIANS AT THE GATE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we just returned from recess this week, and it is a fairly slow week here in the Congress. But next week we will move into the process of finalizing the budget for the coming budget year, which begins

October 1. It is a situation which I am quite concerned about.

There is a kind of calm around here before the storm. As far as I am concerned, I feel a sense of dread before a massacre takes place, because that is what I feel is in store; a massacre of very useful programs is about to occur in this budget finalization process that is going to start next week.

We already have a \$17 billion rescission package. The majority party, the Republicans in this House, have already reached into this year's budget and pulled back \$17 billion, mostly from very good programs. So \$17 billion is being cut out of the budget that is now in process, now going on.

The budget year that will end on September 30, they are trying to take out \$17 billion. The Senate has passed their version of the rescission package, and a conference is about to occur. There is nothing to feel optimistic about there. They put back a few vital items. I heard the Senate is going to restore the Summer Youth Employment Program. The Summer Youth Employment Program employs millions of young people across the country every summer. That had been wiped out by the Republican-controlled House rescission budget. Now the Senate says they will put it back, and I hope that they do restore that.

But I hope the President vetoes the whole bill. I hope that he understands there are numerous other cuts in that same \$17 billion package, for instance, the cutting of the Department of Housing and Urban Development to the tune of \$7 billion. You cut \$7 billion out of the Department of Housing and Urban Development, and most of the money that is cut is for low income housing. I hope that the President will veto the whole package. But I dread what is going to happen with that package, that rescission package.

But beyond that, I dread the budget finalization process, because what has happened with the rescissions package is a preview of coming attractions, a preview of where this majority in this House is going.

It is not exaggerating to say that we are about to behold something similar to a group of barbarians burning down a city. It is not exaggerating, because we are going to destroy, and maybe this is a serious flaw, a serious weakness in the Constitution of the United States, that a party in power for 2 years can wreck havoc. It can destroy a great deal.

You can destroy the Department of Education by just denying funding. You can vote the funding out. It is difficult to vote down the authority for the agency, but if you don't fund it, you can destroy it, or so cripple it, until no matter who comes into power the next year, they will have to try to rebuild a crippled agency.

That has been the history of the Department of Education. It has always been a crippled agency. It came into